

Oracle Financial Services Software Chile Limitada

Unaudited Balance sheet as at March 31, 2019

	Notes	(Amounts in CLP)	
		March 31, 2019	March 31, 2018
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	3	6,943,186	6,568,010
Capital work-in-progress	3	403,353	619,047
Income tax assets (net)		215,931,833	51,912,079
		<u>223,278,372</u>	<u>59,099,136</u>
Current assets			
Financial assets			
Trade receivables	4	1,352,978,856	1,815,941,878
Cash and cash equivalents	5	5,233,857,938	3,244,865,386
Other current financial assets	6	1,850,695	18,824,219
Other current assets	7	897,867,295	827,937,763
		<u>7,486,554,784</u>	<u>5,907,569,246</u>
TOTAL		<u>7,709,833,156</u>	<u>5,966,668,382</u>
<u>EQUITY AND LIABILITIES</u>			
Equity			
Equity share capital	8	894,480,820	888,693,775
Other equity	9	3,415,749,351	2,877,025,444
Total equity		<u>4,310,230,171</u>	<u>3,765,719,219</u>
Non-current liabilities			
Other non-current liabilities	11(a)	1,694,971	-
		<u>1,694,971</u>	<u>-</u>
Current liabilities			
Financial liabilities			
Trade payables	10(a)	1,076,190,201	558,062,474
Other current financial liabilities	10(b)	600,195,686	725,047,598
Other current liabilities	11(b)	1,463,331,873	687,930,453
Employee benefit obligations	12	258,190,254	229,908,638
		<u>3,397,908,014</u>	<u>2,200,949,163</u>
TOTAL		<u>7,709,833,156</u>	<u>5,966,668,382</u>
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.			

Oracle Financial Services Software Chile Limitada

Unaudited Statement of profit and loss for the year ended March 31, 2019

(Amounts in CLP except share data)

	Notes	Year ended March 31,	
		2019	2018
Revenue from operations	13	4,875,390,190	4,514,109,361
Other income, net	14	(192,610,311)	(103,833,293)
Total income		4,682,779,879	4,410,276,068
Expenses			
Employee benefit expenses	15	1,979,320,372	1,618,658,239
Travel related expenses		133,230,386	95,195,795
Professional fees		1,707,772,466	1,688,300,594
Other operating expenses	16	155,158,935	291,566,345
Depreciation and amortization	3	7,305,155	5,575,904
Total expenses		3,982,787,314	3,699,296,877
Profit before tax		699,992,565	710,979,191
Tax expenses			
Domestic income tax		177,853,536	439,821,571
Profit for the year		522,139,029	271,157,620
Total comprehensive income for the year		522,139,029	271,157,620
Summary of significant accounting policies			

The accompanying notes form an integral part of the financial statements.

Oracle Financial Services Software Chile Limitada
Notes annexed to and forming part of unaudited financial statements for the year ended March 31, 2019

Note 1: Corporate information

Oracle Financial Services Software Chile Limitada ("the Company") was incorporated in Chile with limited liability on July 28, 2010. The Company is a subsidiary of Oracle Financial Services Software Ltd. ("OFSSL") with holding 99.9996% ownership interest in the Company as at March 31, 2019. Oracle Financial Services Software B.V. holds 0.0004% ownership interest in the Company as at March 31, 2019.

The Company is principally engaged in the business of providing information technology solutions to the financial services industry worldwide.

Note 2: Summary of significant accounting policies

(a) Basis of presentation

These financial statements comprising of balance sheet, statement of profit and loss and statement of cash flows as at March 31, 2019 have been prepared in accordance with accounting principles generally accepted in India.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Plant and equipment including intangibles and capital work-in-progress, depreciation and amortization

Plant and equipment including intangibles and capital work-in-progress

All plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. All additions during the reported year are considered at cost.

The Company purchases certain specific-use application software, which is in ready to use condition, for internal use. It is estimated that such software has a relatively short useful life, usually less than one year. The Company, therefore, charges to income the cost of acquiring such software.

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Depreciation

Depreciation and amortization are computed as per the straight-line method using the rates arrived at based on the useful lives estimated by the management. The estimated useful life considered for depreciation of fixed assets is as follows:

<u>Asset description</u>	<u>Asset life (in years)</u>
Computer equipments	3

The residual values, useful lives and methods of depreciation of assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

(d) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

(e) Income-tax

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with income tax act and tax laws prevailing in the respective jurisdiction where the Company operates. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions.

(f) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(g) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short term investments with an original maturity of three months or less.

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Notes annexed to and forming part of the unaudited financial statements as at March 31, 2019

	(Amounts in CLP)	
	March 31, 2019	March 31, 2018
Note 4: Trade receivables		
Break-up for security details:		
Unsecured, considered good	1,433,197,893	1,921,099,966
Impairment allowance		
Unsecured, considered good	(80,219,037)	(105,158,088)
	1,352,978,856	1,815,941,878
Note 5: Cash and bank balance		
Cash and cash equivalents		
Balances with banks:		
In current accounts	5,233,857,938	3,244,865,386
	5,233,857,938	3,244,865,386
Note 6: Financial assets		
Current		
Other financial assets measured at amortized cost		
Other receivables and advances	1,850,695	18,824,219
	1,850,695	18,824,219
Note 7: Other assets		
Current		
GST, VAT, service tax and other indirect taxes	36,034,906	152,482,946
Prepaid expenses	11,958,210	4,251,025
Unbilled revenue	849,874,179	671,203,792
	897,867,295	827,937,763
Note 8: Equity share capital		
Balance, beginning of the year	888,693,775	874,428,651
Equity contribution for stock option	5,787,045	14,265,124
	894,480,820	888,693,775
Note 9: Other equity		
Retained earnings	3,391,147,633	2,867,756,342
Contribution from Parent Company	24,601,718	9,269,102
	3,415,749,351	2,877,025,444
Retained earnings		
Balance, beginning of the year	2,867,756,342	2,596,598,722
Profit for the year	522,139,029	271,157,620
Adjustment on adoption of Ind AS 115 'Revenue from Contracts with Customers'	1,252,262	-
Balance, end of the year	3,391,147,633	2,867,756,342

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Notes annexed to and forming part of the unaudited financial statements as at March 31, 2019

	(Amounts in CLP)	
	March 31, 2019	March 31, 2018
Note 10: Financial liabilities		
(a) Trade Payables measured at amortized cost		
Current		
- Payable to others	1,065,014	3,652,319
- Amount due to OFSS Group companies-Trade	1,075,125,187	554,410,155
	1,076,190,201	558,062,474
(b) Other financial liabilities measured at amortized cost		
Amount due to OFSS Group companies-Non Trade	396,526,697	344,316,163
Accrued expenses	78,224,848	292,502,471
Accrued compensation to employees	125,444,141	88,228,964
	600,195,686	725,047,598
Note 11: Other liabilities		
a) Non-current		
Deferred contract cost	1,694,971	-
	1,694,971	-
b) Current		
Deferred revenues	1,371,778,534	636,500,311
Withholding and other taxes	69,694,491	31,610,420
Other statutory dues	21,306,803	19,819,722
Deferred contract cost	552,045	-
	1,463,331,873	687,930,453
Note 12: Employee benefit obligations		
Current		
Compensated absence	258,190,254	229,908,638
	258,190,254	229,908,638

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Notes annexed to and forming part of unaudited financial statements for the year ended March 31, 2019

	(Amounts in CLP)	
	Year ended March 31,	
	2019	2018
Note 13: Revenue from operations	4,875,390,190	4,514,109,361
Note 14: Other income, net		
Foreign exchange gain (loss), net	(192,025,607)	(103,833,293)
(Loss)/profit on sale of fixed assets, net	(584,704)	-
	(192,610,311)	(103,833,293)
Note 15: Employee benefit expenses		
Salaries and bonus	1,937,784,291	1,582,854,066
Stock compensation expense	21,119,661	23,534,226
Staff welfare expenses	20,416,420	12,269,947
	1,979,320,372	1,618,658,239
Note 16: Other operating expenses		
Communication expenses	20,319,205	20,006,560
Rent	56,852,149	50,743,624
Insurance	41,312,855	58,733,959
Repairs and maintenance:		
Computer equipments	66,782	-
Rates and taxes	60,056,055	47,972,547
Bad debts	(33,092,652)	101,769,107
Miscellaneous expenses	9,644,541	12,340,548
	155,158,935	291,566,345

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Notes annexed to and forming part of unaudited financial statements for the year ended March 31, 2019

Note 17: Capital commitments and contingent liabilities

Particulars	(Amounts in CLP)	
	March 31, 2019	March 31, 2018
(a) Capital commitments	3,629,133	Nil
(b) Contingent liabilities	Nil	Nil

Oracle Financial Services Software Chile Limitada

Unaudited Statement of cash flow for the year
ended March 31, 2019

	(Amounts in CLP)	
	Year ended March 31, 2019	2018
Cash flows from operating activities		
Profit before tax	699,992,565	710,979,191
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	7,305,155	5,575,904
Loss / (Profit) on disposal of fixed assets, net	584,704	-
Employee stock compensation expense	21,119,661	23,534,226
Bad debts	(33,092,652)	101,769,107
Operating Profit before Working Capital changes	695,909,433	841,858,428
Movements in working capital		
(Increase) decrease in trade receivables	496,055,674	(735,377,622)
Decrease (increase) in other current financial assets	(161,696,863)	143,556,458
Decrease in other current assets	108,740,855	(151,528,128)
(Decrease) in other non-current liabilities	1,691,252	-
Increase (decrease) in trade payables	518,127,727	293,497,246
Increase (decrease) in other current financial liabilities	(123,595,931)	(188,588,930)
(Decrease) increase in other current liabilities	775,401,420	124,232,997
Increase in current employee benefit obligations	28,281,616	(84,612,647)
Cash from operating activities	2,338,915,183	243,037,802
Payment of domestic and foreign taxes	(341,873,290)	(1,305,918,385)
Net cash provided by operating activities	1,997,041,893	(1,062,880,583)
Cash flows from investing activities		
Additions to fixed assets including capital work-in-progress	(8,049,341)	(3,419,072)
Net cash (used in) provided by investing activities	(8,049,341)	(3,419,072)
Cash flows from financing activities		
Net cash (used in) financing activities	-	-
Net (decrease) increase in cash and cash equivalents	1,988,992,552	(1,066,299,655)
Cash and cash equivalents at beginning of the year	3,244,865,386	4,311,165,041
Cash and cash equivalents at end of the year	5,233,857,938	3,244,865,386
Component of cash and cash equivalents		
Balances with banks:		
In current accounts	5,233,857,938	3,244,865,386
Total cash and cash equivalents [Refer note 5]	5,233,857,938	3,244,865,386